

## Message Text

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ACTION FRB-02

INFO OCT-01 EUR-25 ISO-00 EB-11 SS-20 RSC-01 DRC-01 /061 W

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P R 270942Z APR 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 1226

INFO AMEMBASSY MOSCOW

AMCONSUL ZURICH

LIMITED OFFICIAL USE BUDAPEST 1041

E.O. 11652: N/A

TAGS: OVIP, HU

SUBJECT: VISIT TO HUNGARY OF FRB CHAIRMAN ARTHUR F. BURNS

REF: BUDAPEST 0775

1. DEPT PLEASE PASS FOLLOWING TO FEDERAL RESERVE CHAIRMAN BURNS IN RESPONSE TO HIS LETTERS OF APRIL 5 TO LASZLO AND PEDERSEN:

A) NATIONAL BANK ASSUMES 1345 ARRIVAL MAY 10 MEANS THAT YOU WILL HAVE HAD LUNCH ON PLANE. FIRST EVENTS AFTER ARRIVAL WOULD THEREFORE BE AFTERNOON MEETINGS. IN ADDITION TO MEETING AT BANK, THEY ARE THINKING OF TWO "GOVERNMENTAL" MEETINGS. APPARENTLY THEY HAVE IN MIND DEPUTY PM HUSZAR, AND FONMIN FALUVEGI, ALTHOUGH CONFIRMATION NOT YET RECEIVED. YOU WOULD BE MET AT AIRPORT BY AMBASSADOR AND BANK OFFICIALS (PROBABLY LASZLO).

B) LASZLO WOULD GIVE DINNER FRIDAY EVENING.

C) FOR SATURDAY, MAY 11, THEY SUGGEST PARTY TAKE TRIP TO BABOLNA STATE FARM, HUNGARY'S MOST SUCCESSFUL FARM AND ONE WHICH USES AMERICAN EQUIPMENT AND WORKS CLOSELY WITH A US COMPANY, CORN PRODUCTION SYSTEMS (CPS). LASZLO MADE THIS SUGGESTION ON BASIS OF HIS UNDERSTANDING FROM YOUR VISIT TO WASHINGTON THAT YOU WOULD LIKE TO SEE SOME LIMITED OFFICIAL USE

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OF COUNTRY. LUNCH WOULD BE SERVED AT THE FARM.

D) AMBASSADOR'S DINNER IN YOUR HONOR WOULD BE SATURDAY EVENING.

E) ON SUNDAY, THEY SUGGEST YOU POSTPONE YOUR DEPARTURE TO FLIGHT OS-802 TO VIENNA AT 1655, ARRIVING 1735, WITH AN 1815 DEPARTURE FROM VIENNA ON OS-205, TO ZURICH, ARRIVING AT 1925. IF THIS IS SATISFACTORY, THEY WOULD GIVE ANOTHER LUNCHEON OF SOME SORT ON SUNDAY AND WOULD LEAVE MORNING FOR SIGHTSEEING OR FURTHER MEETINGS AS YOU WISH.

2. EMBASSY COMMENT: BABOLNA FARM IS HUNGARY'S SHOW FARM AND WELL WORTH SEEING. TRAVEL TIME IS ABOUT TWO HOURS EACH WAY BY CAR. DIRECTOR OF FARM IS A CENTRAL COMMITTEE MEMBER. THERE WOULD BE SUFFICIENT TIME TO SEE THE FARM AND GET BACK TO BUDAPEST FOR DINNER. HOWEVER, IF YOU PREFER, AMBASSADOR COULD GIVE LUNCHEON SUNDAY INSTEAD AND LEAVE SATURDAY EVENING IN BUDAPEST FREE.

3. WE ARE IN TOUCH WITH NATIONAL BANK ABOUT APPROPRIATE INVITATION LISTS FOR SOCIAL OCCASIONS AND WILL SEEK TO FIRM UP SCHEDULING WITH THEM AS SOON AS WE HAVE YOUR VIEWS ON THESE SUGGESTIONS. PRINCIPAL QUESTIONS TO WHICH WE NEED YOUR ANSWERS ARE:

A) WHETHER YOU WANT TO MAKE VISIT TO BABOLNA OR WOULD PREFER SOME OTHER TYPE OF PROGRAM;

B) WHETHER YOU WOULD PREFER AMBASSADOR'S FUNCTION TO BE HELD SATURDAY NIGHT OR SUNDAY NOON;

C) WHETHER THE 1655 DEPARTURE IS SATISFACTORY.

4. DCM MUDD WOULD LIKE TO EXTEND INVITATION TO DR. GARVY AND MR. SUTHERLAND TO STAY AT HIS RESIDENCE; LOCATION IS ABOUT 10 MINUTES FROM AMBASSADOR'S RESIDENCE AND CLOSER THAN HOTELS. AMBASSADOR PLEASED THAT CHAIRMAN AND MRS BURNS ACCEPT INVITATION TO STAY AT RESIDENCE AND NOW ABLE CONFIRM THAT GUESTROOM AVAILABLE FOR ENTIRE PERIOD OF VISIT. PEDERSEN

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